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Supreme Court of the United States

OCTOBER TERM, A. D. 1941.

No. 676

CARBO-FROST, INC., CARBONIC DISPENSING, INC., and RUDD PATENTS CORPORATION INC.,
Petitioners,

vs.

STANLEY KNIGHT CORPORATION, JACK E. TAYLOR (trading as Taylor Engineering Co.), and SILVER CUP BEVERAGE CO.,
Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

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Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

To the Honorable Chief Justice of the United States, and the Associate Justices of the Supreme Court of the United States:

INTRODUCTORY STATEMENT.

The action below was an ordinary patent infringement case. It arose in the United States District Court for

the Northern District of Illinois, at Chicago, and was tried before Judge John P. Barnes, who dismissed the complaint for want of equity (R. 370) and his judgment was affirmed on appeal to the United States Circuit Court of Appeals for the Seventh Circuit (R. 462 to 466, Inclusive) (121 F. (2d) 576) in an opinion written by Judge Evans, senior judge in that court, who has a background of a quarter of a century of experience in patent cases. The Court of Appeals denied a petition for rehearing (R. 467) and refused (R. 472) petitioners' request to recall and stay the mandate which issued in due course, and with no request for stay by the petitioners. Subsequently, namely, on August 8, 1941, a final judgment on mandate was entered before the District Court. This final judgment does not appear in the printed record which has been brought here for review and hence is included in this brief as an appendix thereto so that the record of this case in the lower courts may be complete.

The petitioner, Rudd Patents Corporation, a Delaware corporation, owns the legal title to Rudd patent No. 1,785,326, in suit below, and the petitioners, Carbo-Frost, Inc., a Delaware corporation, and Carbonic Dispensing, Inc., a New York corporation, are exclusive licensees under this patent.

The defendant, Jack E. Taylor, trading as Taylor Engineering Company, is a manufacturer of the accused apparatus, and has a place of business in the City of Elgin, Illinois. The defendant, Stanley Knight Corporation, an Illinois corporation, is a jobber, having a place of business in the City of Chicago, Illinois, and sells apparatus made by the defendant, Jack E. Taylor, and the defendant, Silver Cup Beverage Co., also an Illinois corporation, having a place of business in the City of Chicago, Illinois, is a user of apparatus manufactured by the

defendant, Jack E. Taylor, trading as Taylor Engineering Company.

A second patent, namely, Rudd patent No. 1,855,313, was also involved in this case in the District Court. However, the District Court held (Conclusion of Law No. 3, R. 370) that claim 2 of this patent, No. 1,855,313, which was the only claim in issue, was invalid because anticipated by or lacking invention over the prior art patents and printed publications relied upon by the respondents and no appeal was taken from this ruling of the District Court so that this second patent No. 1,855,313 was not before the Court of Appeals and is not involved in the present petition.

The District Court ruled that all of the seven claims in the Rudd patent No. 1,785,326, in suit below, were invalid because anticipated by or lacking invention over the prior art patents and printed publications relied upon by the respondents (Conclusion of Law No. 2, R. 369, 370) and this ruling was affirmed on appeal (R. 462 to 466, inclusive).

The District Court also held (Conclusion of Law No. 1, R. 369) that the respondents' accused apparatus infringes all of the seven (7) claims of the Rudd patent No. 1,785,326, in suit below, if these claims are valid, and the respondents did not appeal from this finding so that the only issue which was before the Court of Appeals was as to the validity of the seven (7) claims in the Rudd patent No. 1,785,326, in suit below.

It will be seen, therefore, that the petitioners are here merely seeking a reversal of the ruling of the District Court (Conclusion of Law No. 2, R. 369, 370), and of the Court of Appeals (R. 462, to 466, inclusive), to the effect that all of the seven (7) claims of the Rudd patent No. 1,785,326, in suit below, are invalid because anticipated by

or lacking invention over the prior art patents and printed publications which were relied upon by the respondents.

The Rudd patent No. 1,785,326, in suit, which is entitled "Method of and Apparatus for Utilizing Phase-Changeable Material", relates to an apparatus and method for utilizing and dispensing carbon dioxide in soft drink bottling plants, soda fountains and like, and was never adjudicated, in a contested case, as to validity or infringement prior to its adjudication in the lower courts in the present action, and from which this petition is brought.

In the interest of accuracy and completeness, it may be stated, however, that the Rudd Patent No. 1,785,326, in suit below, was the subject matter of two earlier uncontested cases in which consent decrees were entered (*Rudd Patents Corp.* v. *Dryice Corporation of America*, D. C. Delaware, Docket No. E 995,433 O. G. 516, and *Rudd Patents Corp.* v. *W. Wharton Jr. and Co., Inc.*, D. C. E. D. Pennsylvania, Docket No. E 7307, 451 O. G. 241, both dismissed by agreement on June 19, 1933) but these two earlier cases, having been uncontested, are not material, and do not in any way affect the issues, here.

There is, therefore, in the present action, no conflict of decisions between or among Circuit Courts of Appeals to be resolved by this Court and apparently the only basis upon which the petitioners seek certiorari here is that they are dissatisfied with the decision of the Court of Appeals for the Seventh Circuit, affirming the decision of the District Court, finding the patent in suit invalid.

It may be added that in the petition petitioners make the usual assertion that the patent in suit below is of great public interest but this has not been shown and the interest referred to is only the usual interest which some part or portion of the public interested in a particular art or industry always has in a patent or patents relating to their particular business or field of endeavor.

SUMMARY OF ARGUMENT.

I.

The action below was an ordinary patent case in which the only issue before the Court of Appeals for the Seventh Circuit was as to the validity of the claims of Rudd patent No. 1,785,326.

The validity of the claims in the Rudd patent No. 1,785,326, in suit below, and which this Court is here asked to review, is a purely factual matter which has been fully considered and decided adversely to the petitioners by both the District Court and by the Court of Appeals for the Seventh Circuit upon substantial evidence and after a full hearing and review. Hence, the present petition presents no unique question of patent law but, on the contrary, presents merely the usual issues of invention and validity in patent cases and which this Court has consistently declined to review under these circumstances.

II.

There is no conflict of decisions between or among Circuit Courts of Appeals as to either the validity or infringement of the Rudd patent No. 1,785,326, in suit below, since the litigation below was the first and is the only adjudication of this patent as to its validity and infringement in a contested case.

III.

The Rudd patent No. 1,785,326, in suit below, and its validity, are matters of purely private interest, rather than of public interest or importance, within the meaning of

those terms as employed in decisions construing or applicable to Rule 38 of the Rules of this Court.

IV.

Most of the petition (pp. 3, 4, 5, 6, 7, 8, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 23) is concerned, not in establishing any reason or reasons why this Court should grant certiorari, but in an attempt to establish that the apparatus which forms the subject matter of the Rudd patent No. 1,785,326, in suit below, has been a commercial success. However, this is a point upon which the Court of Appeals for the Seventh Circuit has already ruled and concerning which it held (R. 462) that alleged commercial success need be considered in patent cases only when the Court is in doubt about the validity of a patent and in the present case the Court had no doubt that the patent in suit below was invalid over the prior art relied upon by the respondents.

V.

Petitioners state in their petition (p. 3) that they seek no review as to findings of fact. This clearly demonstrates that there is no basis for certiorari in the present case because the sole issue presented here for review is as to the validity of the claims in the Rudd patent No. 1,785,326, in suit below, over the prior art relied upon by the respondents, and this is matter which turns entirely upon a question of fact, namely, as to whether or not what the patentee did amounted to invention over the prior art.

POINTS AND AUTHORITIES.

I.

The validity of the claims in the Rudd patent No. 1,785,326, in suit, and which this Court is here asked to review, turns upon a question of fact which has been decided uniformly by both the District Court and the Court of Appeals for the Seventh Circuit after a full hearing and review. Hence, the present petition presents no unique question of patent law but, on the contrary, presents merely the usual issues of invention and validity in patent cases and which this Court has consistently declined to review under these circumstances.

Continental Paper Bag Company v. *Eastern Paper Bag Company*, 210 U. S. 405, 416, 52 L. Ed. 1122, 1127.

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General Talking Pictures Corporation v. *Western Electric Company, Inc., et al.*, 304 U. S. 175, 178, 179, 82 L. Ed. 1273, 1275.

Thompson Spot Welder Co. v. *Ford Motor Co.*, 265 U. S. 445, 446, 68 L. Ed. 1098, 1100.

Walker on Patents, Deller's Edition (1937), Vol. 1, p. 112, Sec. 24.

II.

There being no conflict of decisions between or among Circuit Courts of Appeals of different circuits as to the validity of the Rudd patent No. 1,785,326, in suit below, and the validity of this patent being the only issue presented here for review, no occasion exists for the issuance of the writ prayed for by the petitioners.

Sec. 240a of the Judicial Code, as amended (U. S. C. A., Title 28, Sec. 347).

Rule 38, Par. 5, Secs. a, b, and c of the Rules of the United States Supreme Court, as amended May 26, 1941.

Caroline M. Forsythe v. *City of Hammond, et al.*, 166 U. S. 506, 514, 515, 41 L. Ed. 1095, 1098, 1099.

Continental Paper Bag Company v. *Eastern Paper Bag Company*, 210 U. S. 405, 52 L. Ed. 1122.

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General Talking Pictures Corporation v. *Western Electric Company, Inc.*, 304 U. S. 175, 178, 179, 82 L. Ed. 1273, 1275.

III.

The Rudd patent No. 1,785,326, in suit below, and its validity, are matters of purely private interest, rather than of public interest or importance, within the meaning of those terms as employed in decisions construing or applicable to Rule 38 of the rules of this Court.

Rule 38, par. 5, Secs. a, b and c, of the Rules of the United States Supreme Court.

Layne and Bowler Corporation v. *Western Well Works, Inc., et al.*, 261 U. S. 387, 67 L. Ed. 712.

Clarence D. Keller et al. v. *Adams-Campbell Company, Inc., et al.*, 264 U. S. 314, 68 L. Ed. 706.

ARGUMENT.

I.

The action below was an ordinary patent case.

In the District Court (Northern District of Illinois, Eastern Division), Judge John P. Barnes, a judge of long experience in patent cases, after a full hearing lasting two and one-half days, (April 1, 2, 3, 1940, R. 12, *et seq.*), held all of the seven (7) claims of the Rudd patent No. 1,785,326, in suit, invalid because anticipated by or lacking invention over the prior art patents and printed publications relied upon by the respondents (Conclusion of Law No. 2, R. 369, 370).

The District Court also held (Conclusion of Law No. 1, R. 369) that the respondents' accused apparatus infringes all of the seven (7) claims in the Rudd patent No. 1,785,326, in suit below, if these claims are valid, and the respondents did not appeal from this finding so that the only issue before the Court of Appeals for the Seventh Circuit was as to the validity of the seven (7) claims in the Rudd patent No. 1,785,326, in suit below.

After a full review by the Court of Appeals for the Seventh Circuit, the decision of the District Court that all of the seven (7) claims in the Rudd patent No. 1,785,326, in suit below, are invalid over the prior art was affirmed in an exhaustive and unanimous opinion (R. 462 to 466, inclusive) written by Judge Evans, senior judge of that Court, and who has a background of experience in patent cases extending over a quarter of a century.

It has long been the established practice of this Court to refuse to review issues as to invention and the validity of a patent under these circumstances.

Thus, in the case of *Continental Paper Bag Company* v. *Eastern Paper Bag Company,* 210 U. S. 405, (52 L. Ed. 1122, 1127) this Court, in an analogous situation, said at page 416:

> "The lower courts, therefore, found that the invention was a broad one, and that the machine used by the Continental Company was an infringement. And these were questions of fact upon which, both of the courts concurring, their findings will not be disturbed, unless clearly wrong. *Deslions* v. *La Compagnie Generale Transatlantique,* 210 U. S. 95, *ante,* 973, 38 Sup. Ct. Rep. 664."

Similarly, in the more recent case of *General Talking Pictures Corporation* v. *Western Electric Company, Inc., et al.,* 304 U. S. 175 (82 L. Ed. 1273, 1275) this Court said, at pages 178, 179:

> "There is nothing in the lower courts' decision on either of the added questions to warrant review here. Whether respondents acquiesced in the infringement and are estopped depends upon the facts. Granting of the writ would not be warranted merely to review the evidence or inferences drawn from it. * * * Moreover, the decision on that point rests on concurrent findings. *They are not to be disturbed unless plainly without support.* * * * *There is evidence to support them. Nor would the writ be granted to review the questions of anticipation and invention that petitioner argues,* for as to them there is no conflict between decisions of circuit courts of appeals."

II.

There is no conflict between or among Circuit Courts of Appeals as to either the validity or infringement of the Rudd patent No. 1,785,326, in suit below, since the litigation below was the first and is the only adjudication of this patent as to its validity and infringement in a contested case.

Under such circumstances it has long been the established policy of this Court to refuse to grant the writ of certiorari prayed for here. (Judicial Code, as amended, Sec. 240a, U. S. C. A. Title 28, Sec. 347, Rule 38 of the Rules of the United States Supreme Court, Par. 5, Secs. a, b and c.)

Thus, in the case of *Caroline M. Forsythe* v. *City of Hammond, et al.*, 166 U. S. 506, (41 L. Ed. 1095, 1098, 1099) this Court in reiterating a policy with respect to granting certiorari, even then long established, said, at pages 514 and 515:

> "* * * it is a power which will be sparingly exercised, and only when the circumstances of the case satisfy us that the importance of the question involved, the necessity of avoiding conflict between two or more courts of appeals, or between courts of appeal and the courts of a state, or some matter affecting the interests of this nation in its internal or external relations, demands such exercise."

Similarly, in a later case, namely, *Clarence D. Keller et al.* v. *Adams-Campbell Company, Inc., et al.*, 264 U. S. 314, 68 L. Ed. 705, (1924) this Court, in an analogous patent case, said, at page 319:

> "Such an ordinary patent case with the usual issues of invention, breadth of claims and non-infringement, this court will not bring here by certiorari unless it be necessary to reconcile decisions of circuit courts of appeal on the same patent."

III.

In their petition (p. 20 and "Conclusion", p. 23) respondents urge that the subject matter in issue, namely, the Rudd patent No. 1,785,326, in suit below, is a matter of public interest and importance. The petition does not demonstrate or establish how or why this is so any more than in any other patent case in which some fraction or portion of the public, engaged in the particular art or industry to which the patent relates, may have a business or financial interest which is indirectly involved in the fate of a particular patent in litigation. Moreover, the Rudd patent No. 1,785,326, and its validity, are matters of purely private interest and concern, rather than of public interest or importance, within the meaning of these terms as employed in decisions construing or applicable to Rule 38 of the Rules of this Court.

Thus, in the case of *Layne and Bowler Corporation* v. *Western Well Works, Inc., et al.*, 261 U. S. 387, (67 L. Ed. 712) this Court said, at page 393:

> "* * * it is very important that we be consistent in not granting the writ of certiorari *except in cases involving principles the settlement of which is of importance to the public as distinguished from that of the parties,* and in cases where there is a real and embarrassing conflict of opinion and authority between the circuit courts of appeal. The present case certainly comes under neither head."

IV.

Most of the petition (pp. 3, 4, 5, 6, 7, 8, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23) is concerned, not in establishing any reason or reasons why this Court should here grant certiorari, but in an attempt to establish that the apparatus which forms the subject matter of the Rudd pat-

ent No. 1,785,326, in suit below, has been a commercial success. However, this is a point upon which the Court of Appeals has already ruled, and concerning which it held (R. 462) that alleged commercial success need be considered in patent cases only where the Court is in doubt about the validity of a patent. In the present case, however, the Court had no doubt that the patent in suit below was invalid over the prior art relied upon by the respondents.

In discussing this matter, Judge Evans, speaking for the Court of Appeals, said at page 462:

> "Appellants * * * cling tenaciously to the showing of extensive use, which would be quite impressive if we were otherwise in doubt. However, we need not investigate the extent of the use nor how much if it may be justifiably attributed to the patent, unless there exists a doubt as to the patent's validity."

V.

It is specifically stated in the petition (p. 3) that "No review of fact findings is sought."

This clearly demonstrates that there is no basis for certiorari in the present case because the sole issue presented here for review is as to the validity of the claims in the Rudd No. 1,785,326, in suit below, in view of the prior art relied upon by the respondents, and the validity of a patent over the prior art, involving, as it does, a determination of whether or not what the patentee did constituted invention over the prior art, ultimately depends upon and turns upon a question of fact. (Walker on Patents, Deller's Edition, (1937), Vol. 1, p. 112, Sec. 24 and cases cited.)

Thus, in the case of *Thompson Spot Welder Co.* v. *Ford Motor Co.*, 265 U. S. 445, 446, 68 L. Ed. 1098, 1100 (1924),

Mr. Justice Sanford, in discussing an analogous case, said, at page 446:

> "In the present case both the district court and the circuit court of appeals have held that Harmatta's improvement involved merely the exercise of mechanical skill, and not invention. The question whether an improvement requires mere mechanical skill or the exercise of the faculty of invention is one of fact; * * *"

Furthermore, it is obvious that this Court could not pass upon the patent in suit below, and the prior art patents and printed publications relied upon by the respondents, and upon whether or not what the patentee did constituted invention thereover, without reviewing purely factual matters which would include a comparison of the claims of the Rudd patent No. 1,785,326, in suit below, with the prior art patents and printed publications which were relied upon by the respondents in the courts below.

CONCLUSION.

For the reasons stated, and under the authorities cited, it is deemed that the decision of the Court of Appeals for the Seventh Circuit was, and should be, final, and that the petition fails to establish any reason why this Court should here grant the writ of certiorari for which the petitioners pray.

It is, therefore, submitted that the petition should be denied.

Respectfully submitted,

GEO. H. WALLACE,
CHARLES B. CANNON,
(Counsel for Respondents).

(All italics added.)